

MOTION BY SUPERVISOR ZEV YAROSLAVSKY

November 18, 2008

On October 22, 2008 a settlement agreement was finalized between Los Angeles County and various other public agencies and the Los Angeles Department of Water and Power (“DWP”) to resolve charges that the DWP had overcharged the County and other customers for electricity (the “Barakat” case). This settlement required the DWP to provide the County with just over \$10.5 million to pay for energy conservation projects designed to lower energy consumption in L.A. County buildings that are located in DWP service territory.

Under the settlement agreement, the energy conservation money must be deposited into a restricted fund and made available to the County within 30 days of the date the lawsuit was dismissed, or by November 21, 2008. The settlement provides that the County can draw down these funds to pay for future or past energy conservation projects (retroactive to July 1, 2006) that are designed to lower energy demand or consumption in County buildings located in DWP’s service territory. The funds in the account will gain interest for the County’s benefit.

During the settlement discussions, County Counsel and the other involved Departments assured the Board of Supervisors that the Board would be provided with recommendations relating to the County’s use of the these funds. However, to date, the Board of Supervisors has not been formally apprised of any expenditure plan.

There is an urgent need to swiftly use these funds so that we can begin to realize the financial and environmental benefits of reducing the County’s electricity use as soon as possible. To that end, and to ensure that the money is spent efficiently, equitably, and expeditiously, the CEO in conjunction with the Internal Services Department, the Auditor Controller, and the County Counsel should immediately report back to the Board

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of Supervisors regarding their recommended criteria for allocating the funds.

I, THEREFORE, MOVE that the Board of Supervisors direct the Chief Executive Officer to report back to the Board of Supervisors within 30 days with an expenditure program to utilize the energy conservation project funds made available as a result of the settlement in *County of Los Angeles et al., ex rel. Barakat v. Los Angeles Department of Water and Power* on eligible projects that will 1) be consistent with state and federal regulations; 2) achieve the greatest long-term energy savings at the lowest initial cost; and 3) be consistent with ongoing County efforts to achieve LEED Certification for Existing Buildings in order to improve employee health, make the operation of county buildings more environmentally sustainable, and increase the public's awareness of steps that everyone can take to reduce their own electricity bills.

BS S:\Energy Conservation Project